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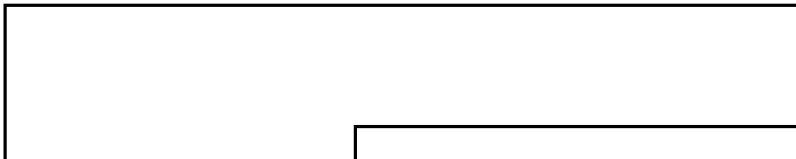
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14 November 1966

GROUP - 1
Excluded from
Automatic
Downgrading and
declassification

U. S. Government

25X1



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Subject: Contract

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Gentlemen:

This is the second in a series of progress reports covering the effort expended on subject contract during the past two months.

In mid-October a design review and implementation meeting was held at our facility with your technical representatives.

The most important result of this meeting came from the successful demonstration of a new type air bearing which was developed for one of our commercial machines.

This new air bearing offers substantial improvement over previous designs in the amount of impingement obtained, sensitivity to changes in internal air pressures, and quietness of operation. With your technical representative's concurrence it was agreed that we should incorporate this new design in the prototype processor.

At the present time, design work is 60% complete and a number of detail parts are being machined. Assembly will begin in December and be complete by mid-January. Selection and procurement of materials and purchased components is well under way with no problem areas in sight.

There have been no changes in personnel, in fact, additional manpower is scheduled to be phased into the effort to pick up some of the slack which developed as a result of the addition of the new air bearing.

Declass Review by
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We have confirmed with our technical monitor that there will be no additional program changes and that the contract will be completed within the funds allocated. Expenditures to date on Phase II amounts to approximately [REDACTED]

If you should have any questions, please do not hesitate to contact us.

Very truly yours,

MCM/mhm

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